

# Sandia Bulletin



December 15, 2006

## **SANDIA CORPORATION SELF-INSURED VOLUNTARY SHORT-TERM DISABILITY BENEFITS PLAN FOR CALIFORNIA EMPLOYEES**

Effective January 1, 2007, Sandia National Laboratories will revert from the Sandia Corporation's Self-Insured Short-Term Disability Benefits Plan for California Employees to the State plan for Short-Term Disability. Please destroy the plan document provided to you with Sandia Bulletin dated January 30, 2006. This bulletin is for informational purposes only – no action is necessary. If you have questions, please call Linda Sager, (925) 294-3021.

California law requires that employees working in California be covered by a State-regulated short-term disability plan. Beginning January 1, 2007, Sandia employees will be required to file Short-Term Disability (SDI) for absences of 8 or more calendar days and/or all Paid Family Leave (PFL) claims directly with the State Employment Development Department (EDD). **Employees will continue to receive sick leave pay from Sandia, less the CA SDI benefit, with proper medical/physician's certification.**

Additional information on the CA State Disability Insurance program is available at <http://www.edd.ca.gov/direp/difla.htm>.

Legislative changes:

- Effective January 1, 2007, the State Disability Insurance (SDI) worker contribution rate will decrease from .8% to .6% of taxable wages.
- The 2007 SDI taxable wage ceiling (the maximum amount of wages per employee that are subject to SDI contributions) will remain at \$83,389.
- For SDI claims beginning on or after January 1, 2007 (including PFL claims), the maximum weekly benefit will remain at \$882.00.

The California program requires employees to contribute .6% of their compensation (up to the maximum taxable ceiling wage with a maximum contribution rate per employee of \$500.33 in 2007). By contrast, Sandia will require that the employee contribute only .20% (up to the maximum taxable ceiling wage with a maximum contribution rate per employee of \$100.07 in 2007). Sandia will fund the remaining 80% of the total contribution (up to the \$399.63 maximum contribution rate in 2007) on behalf of Sandia California employees. The employer paid contribution is a taxable benefit per the Internal Revenue Service.

**Note: Additional information on how this change affects SNL/CA employees in processing claims in order to receive maximum short-term disability benefits will be provided in future communications.**

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